

ASSEMBLY BILL

No. 2401

Introduced by Assembly Member Dababneh

February 21, 2014

An act to amend Section 12938 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2401, as introduced, Dababneh. Insurance: public inspection.

Existing law requires the Department of Insurance to make available for public inspection on its Internet Web site, among other things, all adopted reports of market conduct examinations of unfair or deceptive practices in the business of insurance, as defined by a specified statute. Upon adopting the report, the Insurance Commissioner is required to transmit a copy of the report to a representative of the examined insurer as designated. The insurer can submit comments to the commissioner regarding the adopted report within 20 business days after transmittal of the adopted report. Existing law also requires the commissioner to publish the adopted report and any comments submitted by the insurer on the department's Internet Web site within 20 business days after transmittal of the adopted report.

This bill would increase from 20 business days to 30 calendar days the number of days an insurer has to submit comments to the commissioner after transmittal of the adopted report. This bill would also increase from 20 business days to 30 calendar days the number of days within which the commissioner is required to publish the adopted report and any comments submitted by the insurer.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 12938 of the Insurance Code is amended to read:

12938. Notwithstanding any other ~~provision~~ of law, the department shall make available for public inspection and publish on its Internet Web site all of the information described in subdivisions (a) and (b). This information shall be maintained in a current, up-to-date condition. All identifying and privileged information regarding individual policyholders shall be redacted from documents available for public inspection and on the Internet Web site.

(a) All fully executed stipulations, orders, decisions, settlements, or other forms of agreement resolving market conduct examinations, whether the examinations were finalized, terminated, or suspended, that pertain to unfair or deceptive practices in the business of insurance as defined in Section 790.03.

(b) (1) Every adopted report of a market conduct examination of unfair or deceptive practices in the business of insurance as defined in Section 790.03 that is adopted as filed, or as modified or corrected, by the commissioner pursuant to Section 734.1.

(2) The commissioner upon adopting the report shall transmit a copy of the report, either electronically or by certified United States mail, to a representative that the examined insurer designated by that insurer to receive the report, or in the case of an examination of more than one insurer in an insurer group, to a single representative of the group designated to receive the report on behalf of all examined insurers. ~~Within 20 business days~~ *30 calendar days* after the transmittal, the examined insurer may submit comments to the commissioner relating to the adopted report. The comments shall be in a form and length as provided by regulation.

(3) ~~Twenty business days~~ *Thirty calendar days* after the transmittal the commissioner shall publish on the department's Internet Web site the adopted report and any comments submitted by the examined insurer unless a court of competent jurisdiction has stayed the publication of the report.

(c) This section may not be construed to require the disclosure of company workpapers or other company documents discovered

- 1 during the course of an examination or any preliminary report of
- 2 the examination, except as otherwise permitted by law.

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